

# **HEALTH SERVICES AND DEVELOPMENT AGENCY**

## **MINUTES**

### **SEPTEMBER 28, 2011**

#### **AGENCY MEMBERS PRESENT**

Koella, Carl, III, Chair  
Johnson, D. Lynn, Vice-Chair  
Burns, Charlotte  
Haik, Barrett, M.D.  
Lammert, Gregory  
Southwick, William  
Wright, James  
Gaither, Keith, designee for the TennCare Director  
Jordan, Lisa, designee for the Commissioner of Commerce and Insurance  
Weaver, Faye, designee for the Comptroller of the Treasury

#### **AGENCY STAFF PRESENT**

Hill, Melanie, Executive Director  
Bobbitt, Melissa, Administrative Services Assistant III  
Christoffersen, Jim, General Counsel  
Craighead, Alecia, Statistical Analyst III  
Farber, Mark, Assistant Executive Director  
Wells, Phil, Health Planner III

#### **COURT REPORTER**

Haun, Dawn

#### **GUESTS PRESENT**

Allen, Beth, Medical Imaging Manager, Baptist Hospital  
Benton, Tony, Vice President, Strategic Planning, Mountain States Health Alliance  
Brent, Michael D., Esq., Bradley Arant Boult Cummings, LLP  
Brotherton, Matthew, Kramer Rayson, LLP  
Buescher, Nikolas, Vice President, Oncology Services, Mountain States Health Alliance  
Corritore, Danell, Director, Certificate of Need Unit, Tennessee Department of Health  
Crowder, Katie T., Financial Analyst, Mountain States Health Alliance  
Duncan, Bruce, Vice President, National HealthCare Corporation  
Elrod, Dan H., Esq., Miller & Martin  
Estes, Blake, Administration, Baptist Hospital  
Gooch, Warren L., Esq., Kramer Rayson, LLP  
Gourley, Michelle, M.D., Division of Health Planning, Tennessee Department of Finance & Administration  
Hill, Ronald, Vice President, Strategic Development, Vanderbilt University Medical Center  
Hodge, Elisha, Esq.  
Houchin, Barbara, Executive Director, Planning, Saint Thomas Health Services  
Huggins, Mike, Senior Executive Consultant, Tennessee Hospital Association  
Kessler, Renee, COO, Baptist Hospital  
Lambdin, Leeann, Planning, St. Thomas Health Services  
Lively, Deborah, Tennessee Health Care Association  
Merville, LaDonna, Vice President, Hospital Alliance of Tennessee

Reed, Ann, R., RN, BSN, MBA, Director of Licensure, Div. of Health Care Facilities, Tenn. Dept. of Health  
Skelton, Damian R., Director of Facilities, Baptist Hospital  
Swidnicki, Ashley, Planning Analyst, Mountain States Health Alliance  
Tally, Sarah Lodge, Esq., Miller & Martin  
Taylor, Jerry W., Esq., Farris, Mathews, Bobango, PLC  
Trauger, Byron R., Esq., Trauger & Tuke  
Wilkes, Clem, Governance Coordinator, Mountain States Health Alliance

**Chairman Koella, called the meeting to order at 8:30 a.m. in Meeting Room 12, of The Legislative Plaza, Nashville, Tennessee.**

### **DIRECTOR'S ANNOUNCEMENTS**

Melanie Hill, Executive Director, made general announcements and stated the following: applications to be heard in the upcoming meetings -- five (5) for October, two (2) for November, and possibly four (4) for December; Audit Committee to meet at the conclusion of the November Agenda; meetings will be held at the Legislative Plaza through December; meetings normally meet the fourth Wednesday of each month with the exception of the November and December meetings which are moved to the third Wednesday due to the holidays; the November meeting is set for November 16<sup>th</sup>; and the Agency members will decide whether to have the December meeting on the 14<sup>th</sup> or the 21<sup>st</sup>.

### **OTHER BUSINESS**

- 1) Meeting Date for December Agenda: December 14<sup>th</sup> or December 21<sup>st</sup>: There being no objection the meeting date was set for December 14, 2011.
- 2) Audit Committee Meeting: There being no objection the Audit Committee Meeting was set to be held at the conclusion of the November 16<sup>th</sup> meeting.
- 3) State Health Plan – Michelle Gurley, Division of Health Planning, Finance & Administration discussed the status of the state health plan.

### **CONSENT CALENDAR**

*Melanie Hill summarized the following Consent Calendar application:*

*Mr. Wright recused.*

#### **The Health Center of Nashville - (Nashville, Davidson County) - Project No. CN1107-024**

Change of site/relocation of CN1002-007A for the construction of a 150 bed nursing home. The Health Center of Nashville will be certified for both Medicaid and Medicare participation. The proposed site is located on approximately 13 acres with approximately 970 feet of frontage along Hwy 100. The property is located at the southeast quadrant of Hwy 100 and Pasquo Road, Nashville (Davidson County), Tennessee. Project Cost \$23,894,100.00. The applicant requested a three (3) year expiration date.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Bruce K. Duncan, Assistant Vice President was present on behalf of the project.

Mr. Lammert moved for approval of the project based on: 1) Need – The criteria for need is the same as the previously approved CON and still apply to this project; 2) Economic Feasibility – The project's feasibility is met with cash reserves of the previous CON; and 3) The project does contribute to the orderly development of adequate and effective health care as the criteria is the same as the previously approved CON and still apply to this project. Mr. Southwick seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jordan, Burns, Lammert, Johnson, Weaver, Gaither, Haik, Southwick, Koella  
NAY: None

## **CERTIFICATE OF NEED APPLICATIONS**

*Mark Farber summarized the following CON applications:*

*Mr. Southwick recused.*

### **Seton Corporation dba Baptist Hospital - (Nashville, Davidson County) - Project No. CN1106-020**

Renovations to the Cardiac and Medical Imaging departments at Baptist Hospital. The total number of licensed beds at Baptist Hospital will not change as a result of this project. One (1) PET/CT scanner will be purchased to replace two (2) PET scanners. Renovations will be made to 44,440 square feet of space and there will be 3,900 square feet of new construction. Project Cost \$14,670,000.00.

Warren L. Gooch, Esq., representing the applicant, addressed the Agency. Speaking on behalf of the project were: Renee Kessler, COO, Baptist Hospital; Damian R. Skelton, Director of Facilities, Baptist Hospital; and Beth Allen, Medical Imaging Manager, Baptist Hospital. Present in support of the project were: Barbara Houchin, Executive Director, Planning; and Blake Estes, Administration, Baptist Hospital.

Ms. Burns moved for approval of the project based on: 1) Need – There is a need for more orderly access to the care and to provide better technology; 2) Economic Feasibility – The project is economically feasible through cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care by providing better access to care. Mr. Johnson seconded the motion. The motion CARRIED [9-0-0]. **APPROVED**

AYE: Jordan, Wright, Burns, Lammert, Johnson, Weaver, Gaither, Haik, Koella

NAY: None

### **Johnson City Medical Center - (Johnson City, Washington County) - Project No. CN1106-021**

The renovation and expansion of the current radiation oncology department in the main campus building of Johnson City Medical Center ("JCMC"). No new services will be initiated and no major medical equipment will be purchased. There will be no change in the hospital bed complement. Project Cost \$14,999,924.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Speaking on behalf of the project were: Ashley Swidnicki, Planning Analyst, Mountain States Health Alliance; and Nikolas Buescher, Vice President, Oncology Services, Mountain States Health Alliance. Present in support of the project were: Sarah Lodge Tally, Esq.; Tony Benton, Vice-President, Strategic Planning, Mountain States Health Alliance; and Clem Wilkes, Governance Coordinator, Mountain States Health Alliance.

Mr. Johnson moved for approval of the project based on: 1) Need – The need has been demonstrated for upgrade for the consumers; 2) Economic Feasibility – The project is economically feasible and cash reserves of the organization are available; and 3) The project does contribute to the orderly development of adequate and effective health care. Mr. Southwick seconded the motion. The motion CARRIED [10-0-0]. **APPROVED**

AYE: Jordan, Wright, Burns, Lammert, Johnson, Weaver, Gaither, Haik, Southwick, Koella

NAY: None

### **NHC at Indian Path - (Kingsport, Sullivan County) - Project No. CN1106-022**

The establishment of a new thirty (30)\* bed nursing home certified for Medicare participation. The project will be located in the existing building at the site of the old Indian Path Pavilion. Project Cost \$7,060,851.00.

\* These beds are subject to the 125 Nursing Home Bed Pool for 2010 – 2011

## **DEFERRED TO THE DECEMBER MEETING**

## **GENERAL COUNSEL'S REPORT**

### **CONTESTED CASE**

Mr. Christoffersen provided an update on contested cases.

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## **OTHER BUSINESS**

**Discussion regarding Frequency of Meetings:** Frequency of Meetings: There was a discussion regarding the frequency of meetings and the potential protocol for cancellation of meetings. Staff was instructed to research the issue and report back at the October meeting.

## **MINUTES**

The minutes of the August 27, 2011 meeting were accepted by unanimous voice vote.

## **ADJOURNMENT**

There being no further business, the meeting adjourned.

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Melanie M. Hill, Executive Director

MMH/mab